DS-252

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Hanna 3-D Geophysical Survey	**Proposed Implementation Date: Summer/Fall 2007**
Proponent: Quantum Geophysical, Inc	
Type and Purpose of Action: To conduct a 3D geophysical seismic survey in order to develop some sub-surface profiling in order to better define existing reservoirs, and to locate potential new energy targets. Area of coverage will be 960 acres. Primary equipment to be used will be a rubber tired vibroseis vehicle. Light and heavy-duty pickups and ATV vehicles will be used for support.	
Location: T 27N – R 1E – Sec 9 N1/2 - 320 acres **T 28N – R 1E – Sec 36 All - 640 acres**	**County: Pondera**

I. PROJECT DEVELOPMENT	
1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	MDNRC: Surface & Mineral owner MDNRC/TLMD: Surface Regulator Wyatt Wood: Surface Lessee Stephen Matheson: Surface Lessee Remtaco Operating Inc: Mineral Lessee
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	Notice of Settlement of Damages Permit # 1499 Seismic Exploration Permit For Oil & Gas Geophysical surety bond County permit Proof to be qualified to conduct business in Montana
3. ALTERNATIVES CONSIDERED:	Deny the request

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	**[Y/N] POTENTIAL IMPACTS** N = Not Present or No Impact will occur. Y = Impacts may occur (explain below)
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactable or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are	[Y] The proposed area lies within the eastern portion of Pondera County. This area is dominated by small grain production. The vast majority of lands within this area are

cumulative impacts likely to occur as a result of this proposed action?	cultivated, or enrolled in CRP. The soils are a complex of silt to clay loam textures. Cumulative impacts can occur as a result of this action. Geophysical profiling can lead to major discoveries leading to further exploration, drilling, and potential production.
5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? Are cumulative impacts likely to occur as a result of this proposed action?	[N] The state tracts listed within this assessment have no live surface water present. Impacts to surface and subsurface water sheds are not anticipated as a result of this action.
6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I air shed)? Are cumulative impacts likely to occur as a result of this proposed action?	[N] This proposal will not have an impact on air quality.
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] There will be some surface impact from traversing equipment. Would recommend that all activity occur during dry and or frozen conditions to minimize the surface impacts to the landscape. At the time of this assessment all crops have been harvested from the proposed lands. At this time all land surfaces within the proposal are in fallow or stubble.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? Are cumulative impacts likely to occur as a result of this proposed action?	[N] Cumulative impacts will be minimal to fish, wildlife or birds as a result of this action. The time frame of this proposal is post birthing and nesting, and prior to breeding season for the wildlife present in the proposed area.
9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? Are cumulative impacts likely to occur as a result of this proposed action?	[N] At this time there are no federally listed species within this proposed area.
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N] The field inspection revealed no cultural sites present. The surface records were also inspected and were found to be clear of cultural sites.
11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There are no prominent topographic features within this proposal.
12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, and AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? Are cumulative impacts likely to occur as a result of this proposed action?	[N] This proposal will not use resources that are limited to the area.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? Are cumulative impacts likely to occur as a result of other private, state or federal current actions w/n the analysis area, or from future proposed state actions that are under MEPA review (scoping) or permitting review by any state agency w/n the analysis area?	[N] There are no other studies or plans within the proposed land base at this time.

III. IMPACTS ON THE HUMAN POPULATION	
RESOURCE	**[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES**
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] This proposal will not add to the health and safety of the area.
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[Y] This proposal could lead to an increase of industrial oil and gas production if the seismic reveals additional targets.
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This proposal could lead to a significant increase in area jobs if a major discovery develops.
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This proposal will create a fairly large tax base due to the scale of the proposal. Also, the proposal could lead to a substantial increase in the tax base if a large discovery develops.
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This proposal will create an increase in traffic to the area. There are multiple types of vehicles and aircraft involved. There are potential for cumulative impacts to occur as a result of this action. Outside Fire and medical personnel could potentially be needed.
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N] There are no other management plans in effect within these tracts at this time.
20. ACCESS TO AND QUALITY HAVE RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract? Are cumulative impacts likely to occur as a result of this proposed action?	[N] There is no wilderness or recreational areas within this proposal.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] This proposal will not lead additional housing in the area. However, if a major discovery develops there could be some cumulative impact to area communities.
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N] There will not be any disruption of native or traditional lifestyles as a result of this proposal.
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[Y] If a major hydrocarbon discovery is made resulting from this project, the area could be affected. This could be a positive shift or a negative shift depending on the individual perspective.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: Is there a potential for other future uses for easement area other than for current management? Is future use hypothetical? What is the estimated return to the trust? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] There could be some cumulative impact if a major discovery occurs. There could be an increase in drilling and associated infrastructure to support the activity. The estimated return to the trust is impossible to determine or estimate at this time.

EA Checklist Prepared By: Name: Steve Dobson Title: LUS Conrad Unit DATE: 8-21-07

IV. FINDING	
25. ALTERNATIVE SELECTED:	Approve Seismic Permit #1499
26. SIGN4IFICANCE OF POTENTIAL IMPACTS:	Quantum Geophysical Inc subcontracted by the Hanna Oil Co. has applied for a 3-D seismic project on various state land parcels. Energy sources will be generated by using 2 vibroseis trucks. The overall goal of this seismic project is to locate oil and/or gas producing formations. The seismic line will minimally impact state and private owned surface. The majority of surface impacts would result from the compaction of the vibrating platform and the manipulation of motorized vehicles on the ground surface. Impacts are minimal, temporary in nature and not cumulative. State tracts being inventoried are classified Agricultural land and CRP Land. Surface damages have been settle with the state and surface lessee. Overall, this project will not have negative impacts to the environment if the Department's terms and conditions are followed. If viable natural gas and/or oil reservoirs are located under state land, then the school trust will likely economically benefit from this project over the long term.
27. Need for Further Environmental Analysis: [ ] EIS [ ] More Detailed EA [X] No Further Analysis	

EA Checklist Approved By: Erik Eneboe (Name) Conrad Unit Manager - CLO (Title)

August 21, 2007

Signature Date